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**THE MUNICIPAL CORPORATION OF THE TOWNSHIP OF ARMOUR  
TRUST FUNDS**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2017**

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**THE MUNICIPAL CORPORATION OF THE TOWNSHIP OF ARMOUR TRUST FUNDS**  
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# Independent Auditor's Report

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To the Members of Council, Inhabitants and Ratepayers of  
The Municipal Corporation of the Township of Armour

We have audited the accompanying financial statements of The Municipal Corporation of the Township of Armour Trust Funds which comprise the statement of financial position as at December 31, 2017 and the statements of operations and accumulated surplus, change in net financial assets and cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

## Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

## Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of The Municipal Corporation of the Township of Armour Trust Funds as at December 31, 2017, and the results of its operations, change in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

*Grant Thornton LLP*

North Bay, Canada  
May 22, 2018

Chartered Professional Accountants  
Licensed Public Accountants

**THE MUNICIPAL CORPORATION OF THE TOWNSHIP OF ARMOUR TRUST FUNDS**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT DECEMBER 31, 2017**

	2017	2016
<b>Financial Assets</b>		
Cash and cash equivalents	\$ 435	\$ 408
Investments <i>(Note 2)</i>	8,197	8,124
<b>Total Financial Assets</b>	<b>8,632</b>	<b>8,532</b>
<b>Liabilities</b>		
Accounts payable and accrued liabilities	56	56
<b>Net Financial Assets and Accumulated Surplus</b>	<b>\$ 8,576</b>	<b>\$ 8,476</b>

APPROVED ON BEHALF OF COUNCIL:

\_\_\_\_\_ Reeve

**THE MUNICIPAL CORPORATION OF THE TOWNSHIP OF ARMOUR TRUST FUNDS**  
**STATEMENTS OF OPERATIONS AND ACCUMULATED SURPLUS**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

	2017	2016
<b>Revenue</b>		
Capital receipts	\$ 100	\$ 250
<b>Annual Surplus</b>	<b>100</b>	<b>250</b>
<b>Accumulated Surplus, beginning of year</b>	<b>8,476</b>	<b>8,226</b>
<b>Accumulated Surplus, end of year</b>	<b>\$ 8,576</b>	<b>\$ 8,476</b>

The accompanying notes are an integral part of these financial statements

**THE MUNICIPAL CORPORATION OF THE TOWNSHIP OF ARMOUR TRUST FUNDS**  
**STATEMENT OF CHANGE IN NET FINANCIAL ASSETS**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

	2017	2016
<b>Annual surplus and increase in net financial assets</b>	\$ 100	\$ 250
<b>Net financial assets, beginning of year</b>	8,476	8,226
<b>Net financial assets, end of year</b>	<b>\$ 8,576</b>	<b>\$ 8,476</b>

The accompanying notes are an integral part of these financial statements

**THE MUNICIPAL CORPORATION OF THE TOWNSHIP OF ARMOUR TRUST FUNDS**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

	2017	2016
<b>Operating transactions</b>		
Annual surplus	\$ 100	\$ 250
Changes in non-cash items:		
Accounts payable and accrued liabilities	-	(9)
Cash provided by operating transactions	100	241
<b>Investing transactions</b>		
Purchase of investments	(73)	(72)
Cash applied to investing transactions	(73)	(72)
<b>Net change in cash and cash equivalents</b>	<b>27</b>	<b>169</b>
<b>Cash and cash equivalents, beginning of year</b>	<b>408</b>	<b>239</b>
<b>Cash and cash equivalents, end of year</b>	<b>\$ 435</b>	<b>\$ 408</b>

The accompanying notes are an integral part of these financial statements



# THE MUNICIPAL CORPORATION OF THE TOWNSHIP OF ARMOUR TRUST FUNDS

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2017

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The financial statements of the trust funds of the Municipal Corporation of the Township of Armour (the "Township") are the responsibility of management and have been prepared in accordance with Canadian generally accepted accounting principles for local governments established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada. A summary of significant accounting policies is provided in Note 1. The preparation of financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

Management maintains a system of internal controls to provide reasonable assurance that reliable financial information is produced. The internal controls are designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for preparation of the financial statements.

### 1. SIGNIFICANT ACCOUNTING POLICIES

Significant aspects of the accounting policies adopted by the Township are as follows:

- (i) Reporting Entity  
The financial statements reflect the assets, liabilities, revenue and expenses of the Township's trust funds. The Township's assets, liabilities, revenue and expenses are reported separately in the Township's consolidated financial statements.
- (ii) Basis of accounting  
Sources of revenue and expenses are reported on the accrual basis of accounting. Revenue is recognized in the year in which it is earned and measurable. Expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.
- (iii) Cash and cash equivalents  
Cash and cash equivalents include balances held at financial institutions and short-term deposits with original maturities of three months or less.
- (iv) Investments  
Investments are recorded at cost plus accrued interest.
- (v) Use of Estimates  
The preparation of financial statements in accordance with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from these estimates.
- (vi) Revenue Recognition  
Capital receipts are recognized when received.

### 2. INVESTMENTS

Investments are comprised of guaranteed investment certificates, bearing interest at .9% and maturing March 25, 2018.

**THE MUNICIPAL CORPORATION OF THE TOWNSHIP OF ARMOUR TRUST FUNDS**

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2017

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3. CARE AND MAINTENANCE FUND

The care and maintenance fund administered by the Township is funded by the sale of cemetery interment rights and markers. These funds are invested and earnings derived therefrom can be used to perform maintenance at the Township's cemetery. The operations and investments of the fund are undertaken by the Township in accordance with the regulations of the Funeral, Burial and Cremation Services Act, 2002.